



# FY2018 Results

The Italian National Promotional Institution  
Results Presentation

Rome, 28 March 2019

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# Executive Summary

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- CDP Group's **performance** in **2018** has been characterized by **positive economic results** and a **sound capital base**
  - **CDP SpA<sup>1</sup> Business volumes** equal to **€16.6Bn** and **CDP Group Business volumes** equal to **€36Bn**
  - **CDP SpA Net Income** equal to **€2.5Bn** (+15% vs 2017); **CDP Group Net Income** equal to **€4.3Bn** (vs €4.5Bn in 2017)
  - **CDP SpA Equity** equal to **€24.8Bn** (€24.4Bn in 2017); **CDP Group Total Equity** equal to **€36.7Bn** (vs €35.9Bn in 2017)

**Very solid results confirm the right business model in place to support Italian Economic Growth**

# FY2018 Key Figures

€ Bn

## Group

Total Assets 425

Net Income 4.3

Total Equity 37



## CDP SpA

370 Total Assets

2.5 Net Income

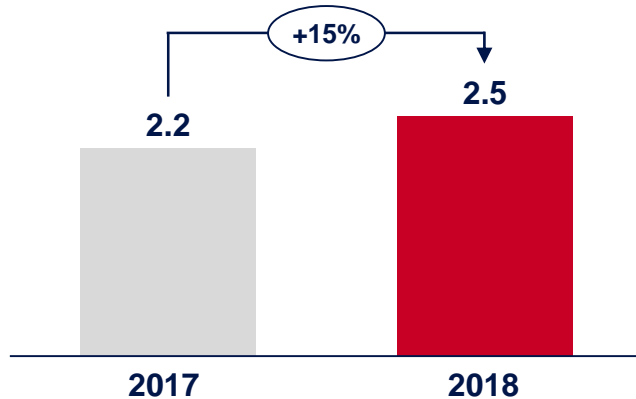
25 Shareholders' Equity

Results consolidate CDP's role as promoter of Italian economy

# Net Income

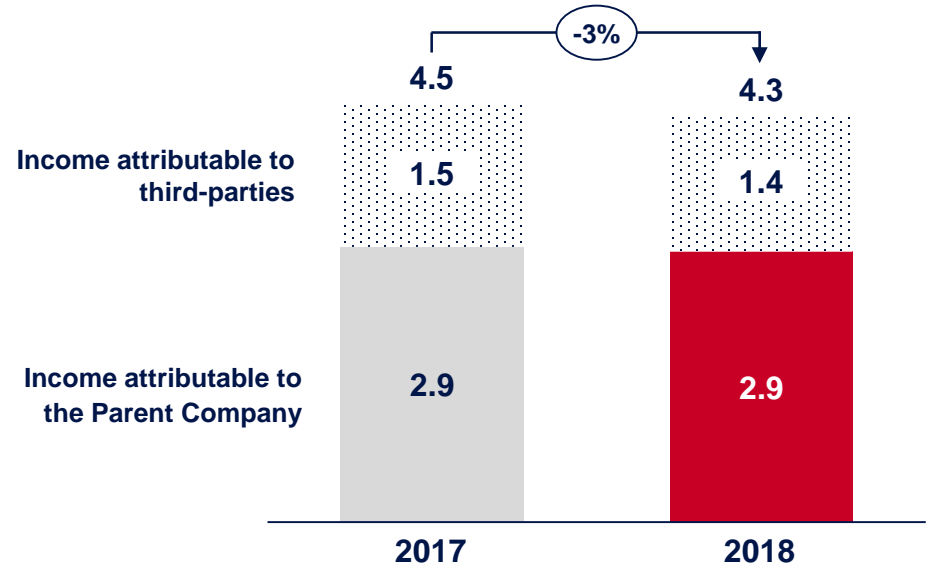
€ Bn

## CDP SpA Net Income



- **FY2018 Net Income** increased mainly due to **higher Gross Income**

## Consolidated Net Income



- **Substantially stable consolidated Net Income**

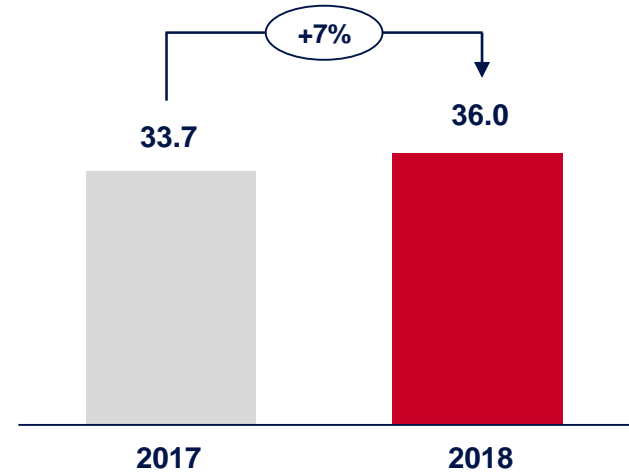
# FY2018 Business Volumes

€ Bn

- The results for 2018 confirmed the **key role of CDP Group in supporting the Italian economy**
- **CDP Group's business volumes** in 2018 equal to **€36.0Bn** (+7% vs 2017), of which **€16.6Bn** attributable to **CDP SpA**



## CDP Group Business Volumes



# CDP SpA NII and Dividend Income

€ Bn

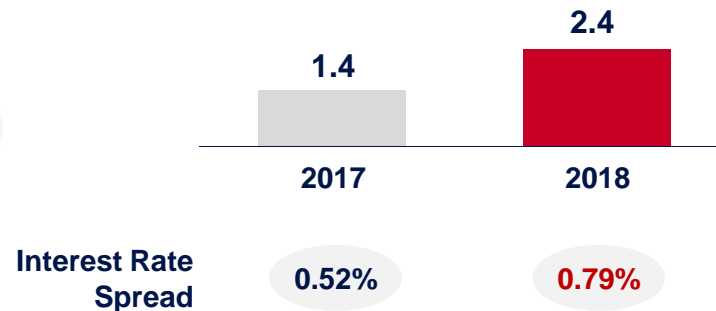
- Improved Net Interest Income, as a consequence of a **better return on assets** – also in connection with interest rates dynamics - and **managerial actions** resulting in a **lower cost of funding**



- Dividend Incomes in line with previous year



## Net Interest Income



## Dividend Income



# CDP SpA Cost Efficiency and Write-downs

€ Mn

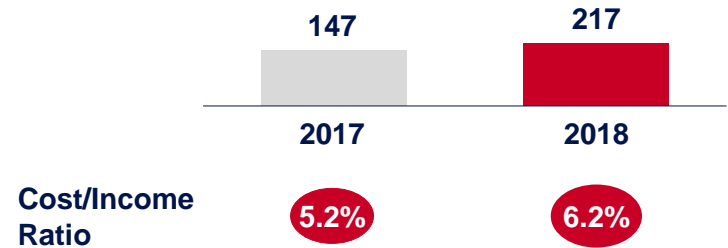
- **Slight increase in Operating costs**, primarily due to higher **staff costs** driven by voluntary based early retirement plan implementation



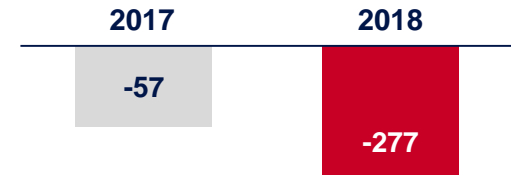
- **Overall increase in write-downs** due to impairments on equity investments and credit portfolio (also due to IFRS 9 impacts)



## Operating Costs



## Write-downs





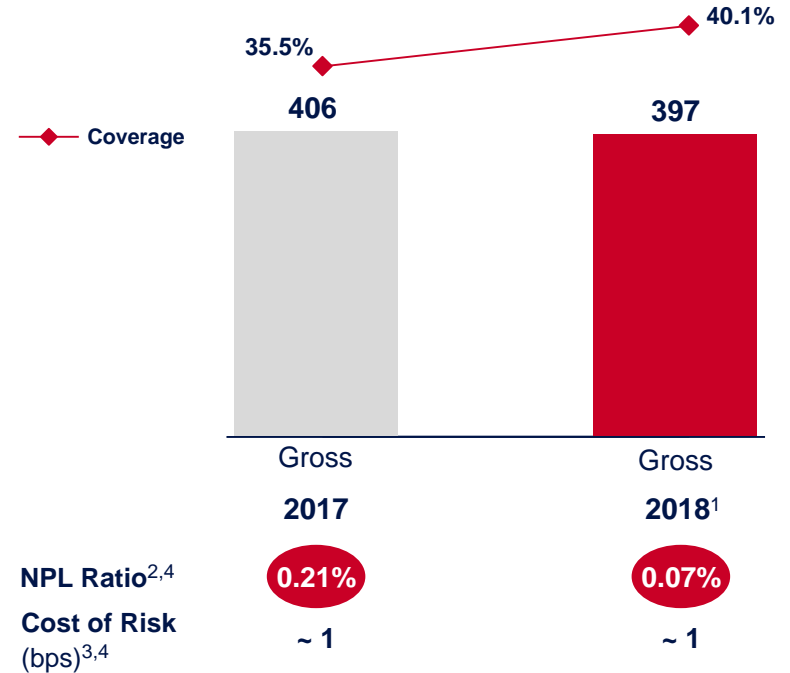
# Asset Quality

€ Mn

- **Improved Coverage Ratio**
- **Decrease in NPL Ratio** (equal to 0.07% in 2018)
- Very **low** and **stable cost of risk**



## Non Performing Loans

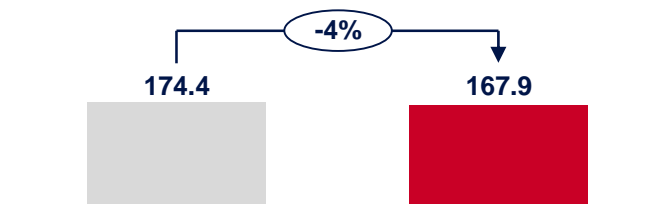


# CDP SpA Assets

€ Bn

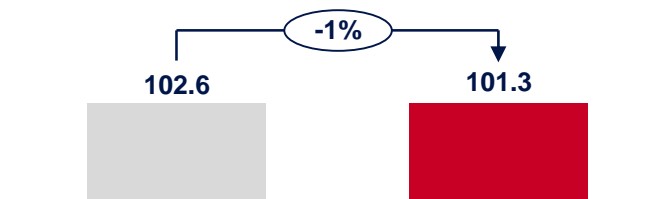
## Cash & Cash Equivalents

Decreased liquidity as a result of lower short-term investments



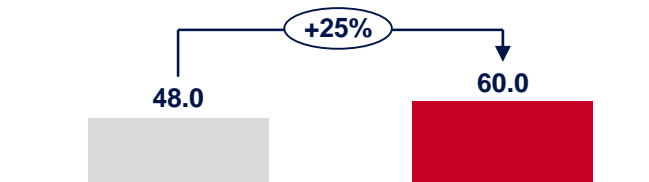
## Loans

Substantially in line with 2017



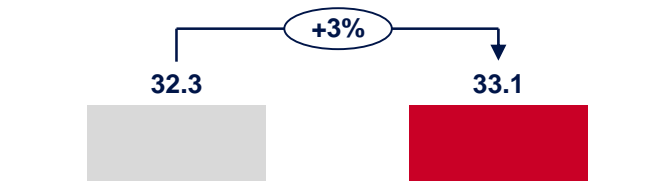
## Securities Portfolio

Growth mainly driven by higher investments in securities included in the HTC portfolio



## Equity Portfolio

Slight increase with respect to 2017



2017<sup>1</sup>

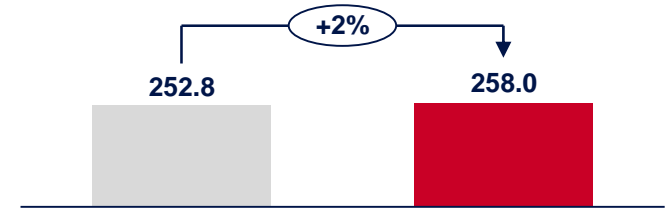
2018

# CDP SpA Liabilities

€ Bn

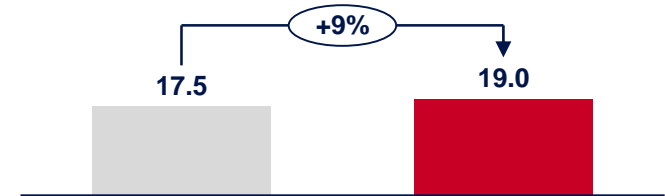
## Postal Funding

Increased vs 2017 levels by 2%



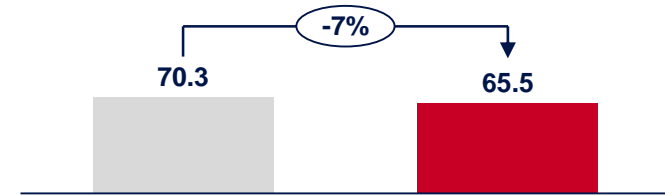
## Bond Funding<sup>1</sup>

Increase driven by further diversification of funding sources/new public issuances



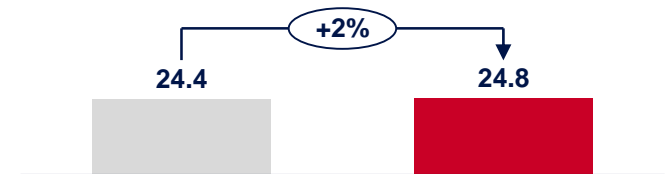
## Other Funding<sup>2</sup>

Slight decrease mainly driven by lower short-term funding



## Equity

Sound and increasing equity base

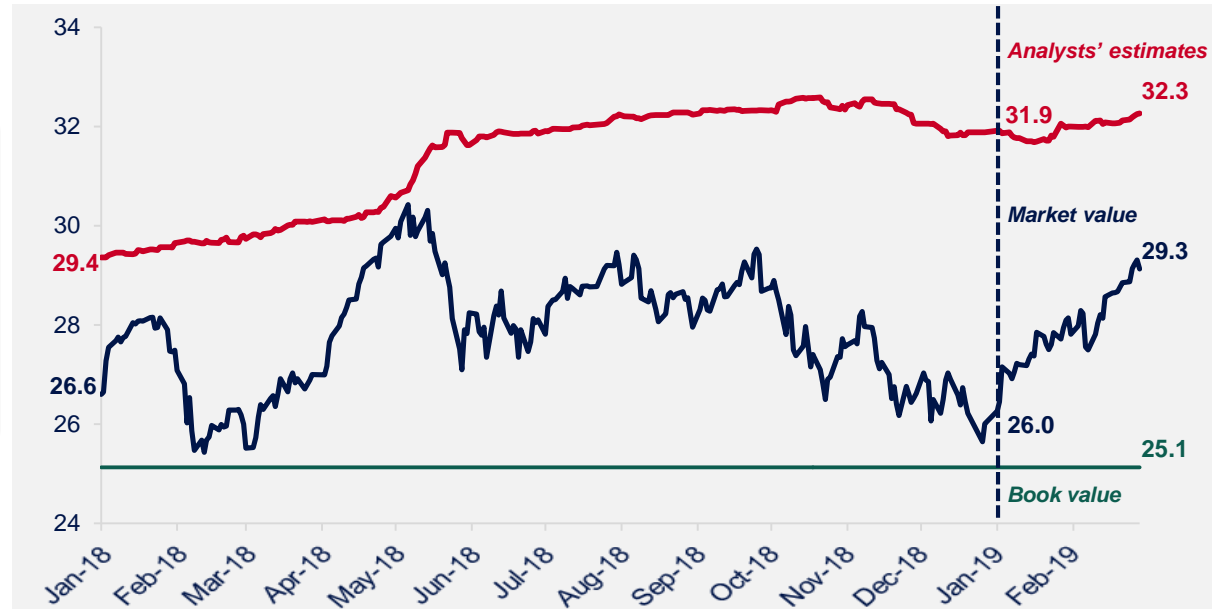


# Equity Portfolio Performance

€ Bn

Market value of CDP's listed equity portfolio (Dec 2018):

- In line with previous year
- 3% higher than book value (€0.9Bn)
- 23% upside potential vs analysts' target price (€5.9Bn)



**Markets and analysts evaluate CDP's Portfolio higher than its book value**

# CDP Group Participated Companies' Results

€ Mn

1,399

Posteitaliane

▪ vs 689 FY2017

4,226



▪ vs 3,374 FY2017

(472)



▪ vs (328) FY2017

707



▪ vs 688 FY2017

314



▪ vs 293 FY2017

960



▪ vs 897 FY2017

72

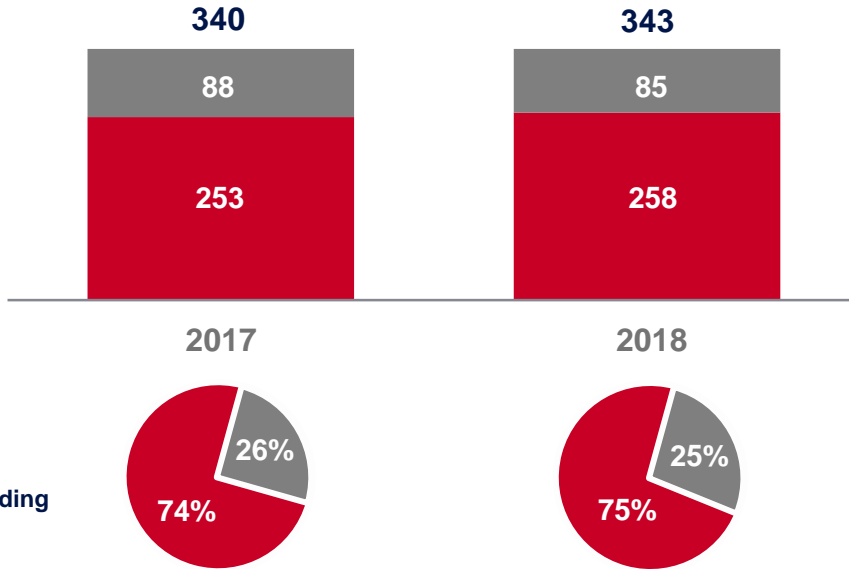
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▪ vs 57 FY2017

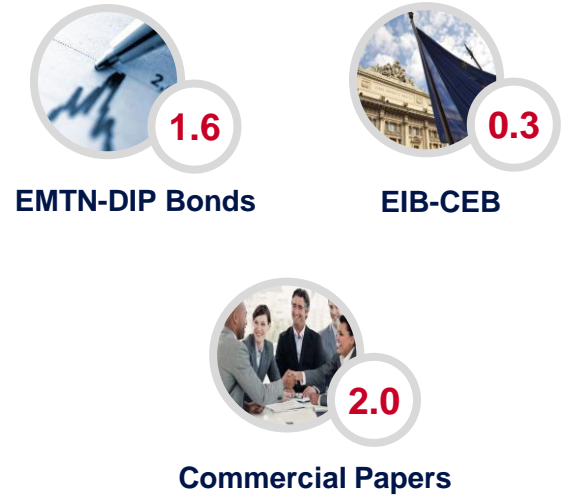
# CDP SpA Funding and Credit Rating

€ Bn

## Total Funding<sup>1</sup>



## 2018 Key Market Funding<sup>2</sup>



CREDIT RATING



S&P Global Ratings

BBB/A-2 Negative

FitchRatings

BBB/F2 Negative

MOODY'S

Baa3/P-3 Stable

SCOPE

BBB+/S-2 Stable

1) The sum of sub-totals does not equal total funding due to rounding effect

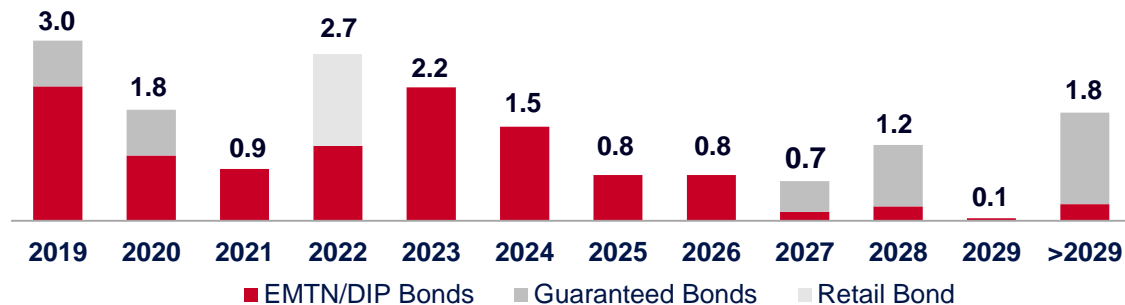
2) New flows in 2018

# CDP SpA Long-Term Market Funding

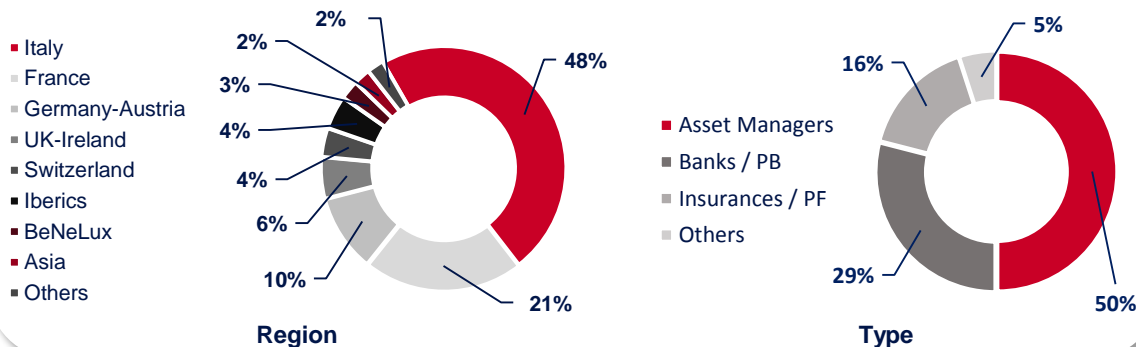
€ Bn

- Outstanding bonds<sup>1</sup> amount to ~ **€17Bn** with more than **40** single transactions
- Senior Unsecured** notes listed on the Luxembourg Stock Exchange<sup>2</sup>
- Pari passu** ranking with **postal savings**
- Access to **non-euro markets** (USD, JPY)
- Eligible for **ECB collateral framework** and **ECB Public Sector Purchase Programme (PSPP)**

## Bond Maturity



## Investor Allocation<sup>3</sup>



1) Including EMTN-DIP (~ €11Bn), Guaranteed Bonds (€4.5Bn) and Retail Bond (€1.5Bn)

2) Social and Sustainability Bonds have been listed also on the Italian Stock Exchange (i.e. Borsa Italiana)

3) Refers to public issuances since 2011

# Contacts

## Investor Relations & Rating Agencies

Cassa depositi e prestiti S.p.A.

Via Goito, 4

00185 – Rome, Italy

Phone: +39 06 4221 3253

E-mail: [investor.relations@cdp.it](mailto:investor.relations@cdp.it)

**Web** [cdp.it](http://cdp.it)

**Bloomberg** «CDEP»; «CDEP Govt»

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